

Bulletin Tax

Tax Bulletin 1-06

Effective Date: July 1, 2006

Re: Ordinances Affecting Telecommunications Tax and 911 Fee

Imposition of municipal telecommunications license tax by the city of Herriman

The 2003 Utah Legislature passed Senate Bill 23 (Utah Code §10-1-403) allowing a municipality to impose a municipal telecommunications license tax of up to 4 percent on a telecommunications provider's gross receipts from telecommunications services that are attributed to the municipality. The City of Herriman has adopted an ordinance imposing a municipal telecommunications license tax at the rate of 4 percent effective July 1, 2006.

Vendors must collect the 4 percent tax on all taxable transactions attributed to Herriman City on or after July 1, 2006.

This tax will be reflected on municipal telecommunications license tax returns (TC-34 payment coupon and TC-34Q electronic return) beginning with the July monthly period (for monthly filers) or the July-September quarterly period (for quarterly filers) depending on filing frequency.

Reduction in the E-911 fee for Salt Lake City

The 2004 Utah Legislature passed House Bill 36 (Utah Code §69-2-5) allowing a county, city, or town within which 911 emergency telephone service is provided to impose an emergency services telephone charge of up to 65 cents on each local exchange service switched access line and on each radio communications access line attributed to the county, city, or town. Salt Lake City has adopted an ordinance reducing the emergency services telephone charge from the rate of 65 cents per line to the rate of 61 cents per line effective July 1, 2006.

Vendors must collect the 61 cent per line charge on all telephone lines attributed to Salt Lake City on or after July 1, 2006. In addition, vendors must continue to collect the statewide unified E-911 charge of 13 cents per line, as well as the statewide 7 cents per line poison control center charge. Therefore, the total charge for a Salt Lake City line will be 81 cents effective July 1, 2006.

This tax rate will be reflected on E-911 returns (TC-29 payment coupon and TC-29Q electronic return) beginning with the July monthly period (for monthly filers) or the July-September quarterly period (for quarterly filers) depending on filing frequency.



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